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January 16, 2004

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S W
Room TW-A235
Washington, D. C. 20554

RE: CC Docket No. 98-67

Dear Ms. Dortch:

In its May 1, 2003 TRS Fund filing, NECA submitted forecasts for minute growth for Telecommunications Relay Service (TRS), Speech to Speech (STS) service, Internet Protocol (IP) Relay Service and Video Relay Service (VRS) for the July 2003 – June 2004 funding period. Since that time, NECA has closely monitored the demand for the services included in the interstate Fund. By this letter, NECA is providing revised forecasts for IP and VRS due to significant growth in demand for these services during the first half of the funding period.

Traditional TRS, required since July 1993, is a mature service that has many years of growth data on which to base a forecast. Conversely, IP and VRS had minimal historical data on which to base growth projections when the 2003 – 2004 forecast was developed in April 2003. Various providers began offering these services at different times in 2002 and 2003. Also, unlike the forecast for traditional TRS minutes, for which the interstate fund compensates for only interstate calls and is linked to providers' state contracts, IP and VRS growth is projected on a national basis. Accurate forecasting is inherently more difficult because providers' projections may overlap. NECA used a combination of the providers' forecasts and the limited available historical data to develop the 2003 – 2004 IP and VRS growth projections.

In the May 2003 filing, NECA forecasted 28% growth for IP and 30% for VRS for the year. NECA has found that actual minutes have significantly outpaced projections and now believes the growth rates for both services for the remainder of the funding period will be similar to the average increases actually experienced between July and November. We are now projecting growth rates of 79% annually/6.6% monthly for IP and 196% annually/16.34% monthly for VRS. Exhibits demonstrating the projected growth in usage for each service through June 2004 are attached.

In accordance with the Commission's rules, this *Letter* has been filed electronically in the above-referenced docket.

Sincerely,

A handwritten signature in black ink, appearing to read "John Ricker". The signature is fluid and cursive, with a long, sweeping underline that extends below the name.

Cc: M. Egler, Consumer and Governmental Affairs Bureau
T. Chandler, Consumer and Governmental Affairs Bureau
C. King, Consumer and Governmental Affairs Bureau
T. Peterson, Office of the Managing Director

Video Relay Service Minutes Projection

Date	PROJECTED VRS Minutes	PROJECTED VRS Minutes	ACTUAL VRS Minutes
Jan 2002			7,215
Feb			12,844
Mar			24,879
Apr			27,539
May			33,314
June			35,433
July			59,028
Aug			62,642
Sept			80,201
Oct			92,147
Nov			94,811
Dec 2002			102,768
Jan 2003			128,114
Feb			133,985
Mar			160,651
Apr			170,416
May			188,287
June			208,980
Projected 5/03 Filing		Actual Minutes	
Growth rate: .025/mo.			
July	176,024		236,431
Aug	180,425		242,590
Sept	184,935		283,637
Oct	189,559		349,677
Nov	194,297		327,652
<div>Projected 1/04</div> <div>Growth rate: 16.34%/mo.</div>			
Dec 2003	199,155	381,190	**
Jan 2004	204,134	443,477	
Feb	209,237	515,941	
Mar	214,468	600,246	
Apr	219,830	698,326	
May	225,326	812,432	
June 2004	230,959	945,184	
Total 12/03-6/04	393,452	4,396,796	
Total 1/02-11/03			3,063,241

** Two of six VRS providers have already reported 296 Thousand December minutes as of January 15, 2004.

Internet Protocol Relay Service Minutes Projection

DATE	PROJECTED	PROJECTED	ACTUAL
	Internet Minutes (IP)	Internet Minutes (IP)	Internet Minutes (IP)
June 2002			710,354
July			974,438
Aug			1,214,408
Sept			1,248,587
Oct			1,519,328
Nov			1,648,294
Dec 2002			2,024,224
Jan 2003			1,589,182
Feb			1,673,183
Mar			2,721,080
Apr			3,075,048
May			2,972,948
June 2003			3,387,013
Projected 5/03 Filing		Actual Minutes	
Growth Rate: .023/mo			
July	2,421,991		3,630,327
Aug	2,477,697		3,636,191
Sept	2,534,684		4,004,030
Oct	2,592,982		4,385,261
Nov	2,652,620		4,423,357
<div>Projected 1/04</div> <div>Growth Rate: 6.6%/mo</div>			
Dec 2003	2,713,630	4,715,299 **	
Jan 2004	2,776,044	5,026,508	
Feb	2,839,893	5,358,258	
Mar	2,905,210	5,711,903	
Apr	2,972,030	6,088,888	
May	3,040,387	6,490,755	
June 2004	3,110,316	6,919,145	
Total 12/03 - 6/04	20,357,511	40,310,756	
Total 6/02 -11/03			44,837,253

** Two of four IP providers have already reported 1.77 million December minutes as of January 15, 2004.